

Asset Management Strategy

Date Last Adopted: 12 October 2020

The Asset Management Strategy is a strategy for the implementation and documentation of Asset Management practices, plans, processes and procedures within City of Hobart (CoH). It provides a better understanding of how to align Council's overall asset portfolio so that it best meets the service delivery needs of the community, both now and in the future. It also enables Council to implement the asset management policy and support the delivery of Council's Strategic Plan.

Background

The Strategy has been developed with reference to the requirements of the ISO55000 series for Asset Management, the International Infrastructure Management Manual, International Infrastructure Financial Management Manual, the Local Government Act 1993, and the Local Government (Content of Plans and Strategies) Order 2014

Asset Portfolio

The City of Hobart has eleven strategic asset portfolio groups:



The total value of Council assets is \$ 2,917,804,811 across the following portfolios:

- | | |
|--------------------------------|---------------------|
| 1. Roads | 9.. Fleet |
| 2. Storm water | 10. Smart City |
| 3. Parks & Sporting facilities | 11. Lighting Assets |
| 4. Buildings | |
| 5. Bushland | |
| 6. Miscellaneous | |
| 7. ICT | |
| 8. Solid Waste | |

Current State

The current state of the City of Hobart's asset management systems is structured to achieve the best long-term outcomes for the local community, while meeting the operational challenges of the day.



To deliver agreed service levels against assets within the City of Hobart LGA, the Council has endeavored to achieve high confidence in its asset data to support improved analysis and better forecast future capital and operational expenditure.

To assist Asset Managers in preparing their long term asset management plans, City of Hobart has implemented an asset lifecycle analysis system supported by the Institute of Public Works Engineering Australasia (IPWEA) called “NAMS Plus”. This assists in determining the long-term expenditure commitments for the operation, maintenance and renewal of the City’s assets.

The City’s asset register has moved to a new platform called “AssetMaster” from the contemporary system Conquest. The new platform will provide a foundation of information upon which to continuously improve the management of asset and financial data towards best practices for asset management information systems (AMIS). This migration will, amongst other things, enhance the City’s ability to spatially map assets on Council’s Geographical information system (GIS) and provide deep integration with the Navision financial platform.

This strategy is also being supported by the development of improved project and program management systems and processes through the implementation of a new Project Management system called PMO 365. This system assists in determining the criticality of projects using a project prioritisation model aligned to the “Pillars” of the Capital City Strategic Plan.

Where we want to be

The target of these revisions to the systems supporting the City of Hobart’s asset management processes, is to increase the quality of asset information in developing the Long Term Financial Management Plan.

The key objectives are:

- Increased confidence in budget forecasting using asset lifecycle expenditure analysis;
- Validated funding ratios using asset lifecycles;
- Accurate asset conditions and serviceability life;
- Project prioritisation and critical renewals scheduling;
- Long term operations and maintenance strategies that are compiled utilising asset lifecycle cost analysis;
- Standardised reporting for asset management plans, budget forecasting and risk analysis; and
- Robust revaluation processes leading to accurate asset valuations.

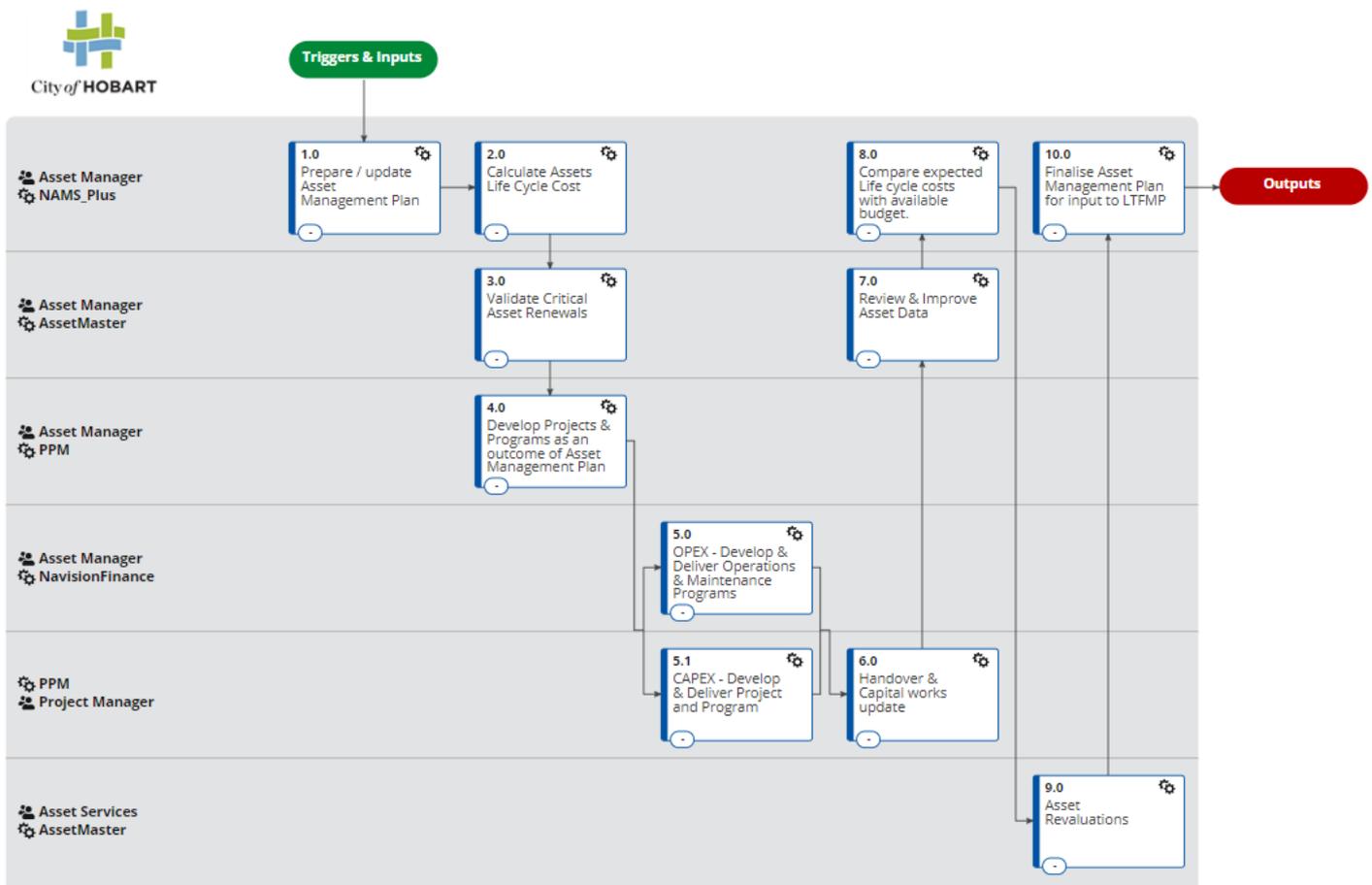


Implementation Plan

The City of Hobart's Strategic Asset Management Governance Model, in union with the Strategic Asset Management Process, provides the fundamentals for implementing this progressive approach to the City's Asset Management Strategy.

The Strategic Asset Management Process [refer Figure 1 below] identifies the responsibilities of key stakeholders, such as Asset Managers, Project Managers and Asset Financial officer , and specifies the AMIS's (Asset Management Information System's) role and capability in supporting decision making and service standards.

Figure 1



The Strategic Asset Management Governance Model [refer Figure 2 below] defines the hierarchy of authority in regards to asset management and planning. Alternatively, when the governance model is viewed from the bottom up, it illustrates the foundation upon which decision making and planning will rely, i.e. the CoH asset portfolios, accurate asset data and asset life cycle analysis.



Strategic Asset Management

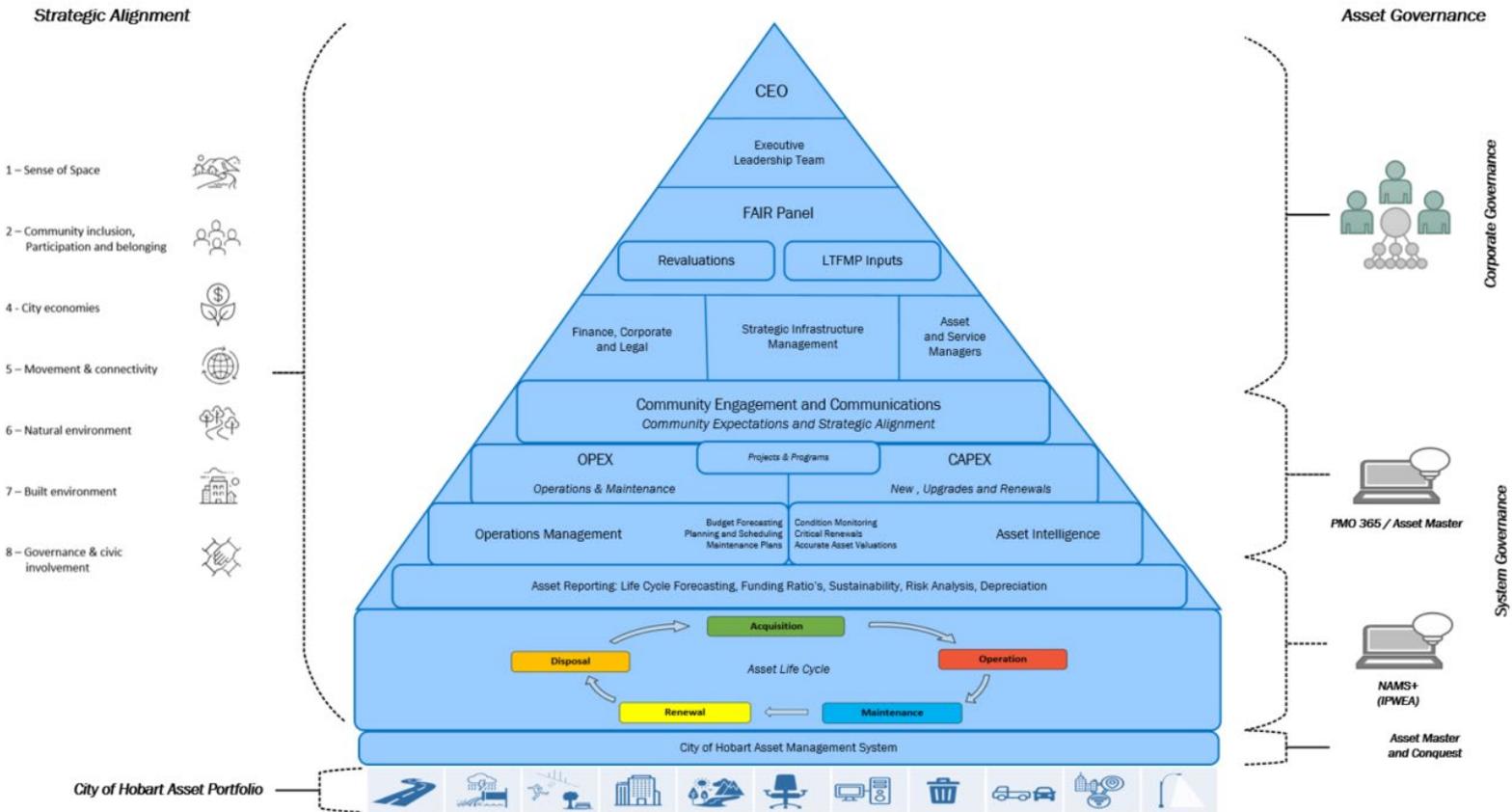


Figure 2

The City of Hobart is committed to achieving strategic asset management improvements to enable better decision-making and will evaluate its effectiveness through the following key performance indicators:

- Funding and budgeting models that support a whole-of-life cycle of assets;
- Accurate funding ratios;
- Identifying and collating project opportunities (ideas and concepts) with priority ratings;
- Optimisation of critical asset renewals;
- Benchmarking the AMS against the International Asset Management Standard (ISO55000);
- Utilising GIS to better communicate delivery of the project and program of works; and
- Keeping track of meeting strategic plan strategies.



Legislation, Terminology and References

Legislation:

- Local Government (Content of Plans and Strategies) Order 2014 Terminology:

AMIS	Asset Management Information System i.e. the City's asset register
AMS	Asset Management System i.e. the City's asset management framework and policies
CoH	City of Hobart
GIS	Geographical Information Systems
ISO55000 series	International Standards Organisation Asset Management standards – ISO55001, 55002 and 55003
LTFMP	Long Term Financial Management Plan
SAMP	Strategic Asset Management Plan

References:

- CoH Asset Accounting Policy – currently under revision
- CoH Climate Change Adaptation Policy
- CoH Risk Management Strategy and Action Plan
- CoH Sustainable Hobart Strategy and Action Plan November 2020
- CoH Connected Hobart Strategy and Action Plan 2020-2025
- International Infrastructure Management Manual (IIMM)
- International Infrastructure financial Management Manual (IIFMM)
- ISO 55000 series for Asset Management

Responsible Officers:	Director City Innovation Manager Strategic Infrastructure Management Unit
Strategy first adopted by the Council:	May 2010
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